

SYLLABUS for the course - Growth, Business Cycle and Economic Policy

Basic data for the course	
Academic unit:	Faculty of Economics
Title of the course:	Growth, Business Cycle and Economic Policy
Level:	Bachelor
Status of the course:	Elective
Year of studies:	Second Year – fourth semester
Number of hours per week:	2+0
ECTS credits:	3
Time/location:	Faculty of Economics, University of Prishtina “Hasan Prishtina”
Tutor:	Prof.asoc. Driton Qehaja
Tutor’s contact details:	Fakulteti Ekonomik, UP, Kabineti 86 E-mail: dqehaja@yahoo.com Consultations: Wednesday, 12:00 – 14:00
Content of the course	
Content of the course	<p>This course is intended to provide a thorough working knowledge of economic growth and business cycle theories and their policy implications. Keynes provides the foundation for the static IS/LM model, along with the Phillips Curve. However, more recent models, such as Neoclassical and New Keynesian models, are dynamic in nature and based on micro foundations. We will use academic papers to study research on business cycles, including business cycle definitions, business cycles from a historical perspective, the design of fiscal and monetary policies that are intended to prevent or shorten recessions in the context of these and other models. Topics will include the plausibility of various models, both in theory and in practice; the absolute and relative effectiveness of various (monetary and fiscal) policies. Particular episodes in the macroeconomic history of the US will provide us case studies in which to study these topics, for example, the Great Depression, the Great Moderation and the recent Great Recession</p>
Course’s objectives:	<p>This course aims at: To help students to understand the theory of economic growth and some of its applications. To help students to understand interactions of forces that affect business</p>

activities in general. By tracking business cycles, you can learn about the interrelations of markets and industries, as well as their behaviors and cyclical processes. Using data gathered from across the country, you can also analyze business cycles on geographic, state and regional levels, to understand a respective area's economic change and instigate any necessary adjustments.

The expected outcomes:

After the course students will understand the theory of economic growth and some of its applications.

They will be able to Distinguish among the different theories of the economic growth.

Distinguish among the different theories of the business cycle.

Explain the Keynesian and monetarist theories of the business cycle. Explain the new classical and new Keynesian theories of the business cycle.

Explain real business cycle theory

Describe the origins of, and the mechanisms at work during, the expansion of the 1990s, the recession of 2001, 2008 and the Great Depression

The students' workload (hours per semester, ECTS)

Activity	Hours	Week	Total
Lectures	2	13	26
Seminars (theoretical and practical)			
Case studies			
Direct contact with tutor	1	15	15
Field research			
Colloquiums	2	2	4
Homework			
Individual study (at library or at home)	2	15	30
Final preparation for the exam			
Evaluation			

Projects, presentation etc.																		
Total			75															
Teaching methods:	<p>Each week, 2 hours of lectures are organised. Case studies and homework are given after each lecture for students to study and research in their own time. Results from such activities are then discussed in the following week. Students are being encouraged to follow the current economic developments, through reading relevant articles, economic newspapers and other materials. They can identify issues/topics for discussions from such readings. Essays prepared by students are then discussed. Individual and group presentations are also encouraged.</p>																	
Assessment methods:	<p>In order to have a fair and appropriate assessment of students throughout the semester, the final mark consists of points that students earned in all activities throughout the semester in lectures, seminars, presentations, essays etc. These are calculated as follows:</p> <table style="margin-left: 40px;"> <tr> <td>-</td> <td>First assessment</td> <td>15%</td> </tr> <tr> <td>-</td> <td>Second assessment</td> <td>15%</td> </tr> <tr> <td>-</td> <td>Seminars</td> <td>20%</td> </tr> <tr> <td>-</td> <td>Final exam</td> <td>50 %</td> </tr> <tr> <td></td> <td>Total</td> <td>100%</td> </tr> </table> <p>The following aspects are being considered during the assessment:</p> <ul style="list-style-type: none"> - The interpretation of the topic, - The depth of understanding the topic, - The use of literature, - Evaluation of the evidence, - Critical analysis and - The logic of building arguments. <p>In addition, the following are also considered toward the final mark:</p> <ul style="list-style-type: none"> - Academic writing, - Presentation of data and references, - The length of writing and - Overall presentation. 			-	First assessment	15%	-	Second assessment	15%	-	Seminars	20%	-	Final exam	50 %		Total	100%
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	Total	100%																
Literature																		
Basic literature:	<p>Abel, A., Bernanke, B. and Dean Croushore (2008), Macroeconomics, 6th edition, Addison-Wesley. ISBN: 0-3214-5140-6</p>																	
Additional literature:	<p><i>Mankiw, N. Gregory (2007), Macroeconomics, 6th edition,</i></p>																	

	<p>Worth. ISBN: 0-7167-6213-7 Blanchard, Olivier (2006), <i>Macroeconomics</i>, 6th edition, Pearson/Prentice Hall. ISBN: 0-13-186026-7 Mankiw, N. Gregory, 1990, 'A Quick Refresher Course in Macroeconomics', <i>Journal of Economic Literature</i>, Dec 1990, 28:4, pp. 1645-1660</p>
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The detailed plan of work:	
Week	Topic
Week 1	1. Introduction to Business Cycles 1.1. Definition of Business Cycle, History of US Business Cycles:
Wee 2	1.2. Stylized Facts
Wee 3	2. Business Cycles From a Historical Perspective 2.1. Great Depression:
Wee 4	2.2. Great Moderation:
Wee 5	2.3. Great Recession:
Wee 6	3. The IS/LM Model and AS/AD 3.1. Equilibrium in the Goods and Money Markets
Wee 7	3.2. General Equilibrium
Wee 8	3.3. The Supply Side and General Equilibrium
Wee 9	Discussion and first assessment
Wee 10	4. Economic Policy 4.1. The Phillips Curve
Wee 11	4.2. Fiscal and Monetary Policy in IS/LM and AS/AD models
Wee 12	4.3. Monetary Policy
Wee 13	5. Real Business Cycle Models
Wee 14	6. New Keynesian Models and Modern Developments in Monetary Policy
Wee 15	Discussion and first assessment

Academic policies and code of conduct:
<p>Students are expected to participate in lectures, seminars and group discussions. Tutor is available for individual consultations as well. Students are required to read the literature before each lecture. Students are not obliged to undertake the intermediate assessments during the semester. They should respect the code of conduct during lectures and exams and in communication with the academic staff.</p>